

OCTOBER 31, 2003

~~OCTOBER 31, 2002~~

~~OCTOBER 31, 2001~~

~~OCTOBER 31, 2000~~

CONTRACT PERIOD THROUGH ~~OCTOBER 31, 1999~~

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **FINANCIAL ADVISOR SERVICES II**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by the Board of Supervisors on **OCTOBER 21, 1998**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

WT/mm
Attach

Copy to: Clerk of the Board
Tom Manos, Finance
Sharon Tohtsoni, Materials Management

(Please remove Serial 95149-RFP from your contract notebooks)

SPECIFICATIONS ON REQUEST FOR PROPOSALS: FINANCIAL ADVISOR SERVICES II

1.0 INTRODUCTION:

1.1 PURPOSE:

The purpose of this document is to define the general requirements of and to solicit proposals for Financial Advisor Services II for Maricopa County

1.2 SCOPE:

This document defines the basic services required, the proposal procedures and the evaluation and award criteria, and other factors pertinent to this proposal.

The financial advisor shall furnish all labor, materials, and equipment (including data processing equipment) necessary to perform the work required.

1.3 OBJECTIVES:

It is the intent of the County to procure the services of a qualified firm to represent the County as financial advisor for a variety of projects, which may require financing throughout the year.

2.0 GENERAL SPECIFICATIONS:

- 2.1 Develop a Financing Plan The financial advisor shall consult with County officials, bond counsel, disclosure counsel, underwriter, and rating agencies to provide the most economical structure for any given financing. The financial advisor will coordinate the sale and closing of any debt issue. If other financing mechanisms are worth considering, those may be analyzed and potentially executed so part of this engagement.

The plan of financing will include, but not be limited to, the following:

- A thorough review and analysis of the existing financial resources, cash flows, and legal structure of the County, as well as all relevant data pertaining to the financing plan.
- A determination of the amount necessary to be issued.
- A determination of the structure, which will result in the County receiving the lowest possible borrowing, cost.

2.1.1 What technical support services do you have available? How would they be utilized in the formulation of financing plans and in support of the County's business plan?

2.1.2 As mentioned above, The Financial Advisor will be expected to evaluate various financing alternatives. Describe in detail your firm's experience, naming firm members, in successfully designing and implementing types of financing. The County would generally consider e.g. TANS, COPs, GO bonds, leases, refunding, etc.

In addition to services listed in other portions thereof, the Financial Advisor in conjunction with County's bond and disclosure counsels, shall perform the following functions to facilitate the marketing and sale of public debt:

- Develop and prepare the necessary documents including:
 - a. The sale calendar
 - b. A complete and detailed official statement of the terms under which the debt securities are to be offered which can serve as an effective marketing instrument.
- Review documents prepared by the bond and disclosure counsels.
- Review the purchase agreement and suggest additions or changes to aid the County.

2.0 GENERAL SPECIFICATIONS: (Continued)

- Recommend the rating firms to be used, if necessary, and prepare and present such information as is required to receive rating.
 - Assist with securing a line or letter of credit when necessary.
 - Coordinate the printing and delivery of securities and notify the purchaser of the date and place that payment will be made.
 - Assist with the preclosing and closing to ensure that all documents contained in each transaction accurately reflect the County's understanding of the terms of the transactions.
 - If a different financing mechanism is used, similar duties and responsibilities will apply.
- 2.2 Please outline the activities the firm would undertake to perform these functions, and describe your firm's experience with these activities.
- 2.3 Please outline the circumstances under which competitive and negotiated sales would be preferred.
- 2.4 Describe your firm's role under the new SEC disclosure rules, which became effective **July 3, 1995**.
- 2.5 Qualifications:
- 2.5.1 Identify the firm's organization and its resources and how they will be put to work for the County. List at least three recent debt issues for which your firm has acted either as financial advisor or as a managing underwriter.
 - 2.5.2 List your most recent financial advisor relationships within the State of Arizona, if applicable, or within other states. Please include the names, addresses, and phone numbers of contact persons. Briefly describe the work performed, including the dollar amount of the issues or other financing.
 - 2.5.3 Describe any innovations you have developed or worked on for tax-exempt security issues, briefly outlining the problem, your solution, and the results.
 - 2.5.4 Outline your firm's experience during the past two years with the major rating agencies. Discuss this experience and its potential applicability to the County.
 - 2.5.5 Please attach a recent representative example of a official statement for which you acted as financial advisor, if applicable.
- 2.6 Personnel:
- 2.6.1 What individuals would be assigned to the County? Please include brief resumes.
 - 2.6.2 What would be their availability?
 - 2.6.3 What other individuals would be available to the County?
- 2.7 Compensation: Please explain the firm's proposed fee schedule for the work proposed and for various financing alternatives. Explain how fees may differ in the cases of alternative financing mechanisms. If the firm proposes that the County bear the cost of incidental expenses associated with financing, clearly state what type of incidental expense the County will be expected to bear. Payment of fees shall be upon delivery of financing proceeds, if applicable. For general consulting engagements, which involve no sales of securities, please describe your fee structure.

3.0 ADMINISTRATIVE INFORMATION:

3.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:

Request for Proposals Issued: AUGUST 26, 1998

Deadline for submission of proposals, 3:00 P.M., MST on SEPTEMBER 9, 1998. All proposals must be received before 3:00 P.M. on above date at Maricopa County Materials Management Department, 320 West Lincoln, Phoenix, Arizona 85003.

Proposed review of proposals : SEPTEMBER 10 – SEPTEMBER 16, 1998

Proposed vendor presentations: (If requested) SEPTEMBER 18-22, 1998

Proposed selection and negotiation: SEPTEMBER 23, 1998

Proposed Best & Final (if required) SEPTEMBER 25, 1998

Proposed award of proposal: OCTOBER 1998

All responses to this proposal become the property of Maricopa County and (other than pricing) will be held confidential, to the extent permissible by law. The County will not be held accountable if material from proposal responses is obtained without the written consent of the proposer by parties other than the County.

3.2 INQUIRIES:

All inquiries concerning information contained herein shall be addressed to:

MARICOPA COUNTY
DEPARTMENT OF MATERIALS MANAGEMENT
ATTN: CONTRACT ADMINISTRATION
320 WEST LINCOLN
PHOENIX AZ 85003

Administrative and technical telephone inquiries shall be addressed to:

~~LYNN LEMMERMANN, LEAD PROCUREMENT SPECIALIST~~
DORENE DOOLEY PROCUREMENT CONSULTANT - (602) 506-3169 **8020** Fax - (602) 258-1598 **1573**

Technical Telephone inquiries shall be addressed to: VICTORIA TAYLOR, Finance Manager – (602) 506-1367

Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

3.3 CHANGE ORDERS:

Maricopa County may institute changes or modifications to the specifications and will notify all participants by an addendum to this Request for Proposal.

3.4 NON-COLLUSION:

The Contractor expressly warrants and certifies that neither the Contractor nor its employees or associates has directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in conjunction with this bid.

3.5 COVENANT AGAINST CONTINGENT FEES:

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona-fide employees or bona-fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach of violation of this warranty, the County shall have the right to terminate this Agreement in accordance with the termination clause, and at its sole discretion, to

deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

3.0 ADMINISTRATIVE INFORMATION: (Continued)**3.6 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or consultant to any other party of the contract with respect to the subject matter of the contract. Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the contract.

3.7 FINANCIAL STATUS:

All vendors shall make available upon request a current audited financial statement, a current audited financial report, or a copy of a current federal income tax return. Failure or refusal to provide this information within five (5) business days after communication of the request by the County shall be sufficient grounds for the County to reject a bid or proposal, and/or to declare a vendor non-responsive and/or non-responsible, as those terms are defined in the Maricopa County Procurement Code.

If a vendor is currently involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the vendor under federal bankruptcy law or any state insolvency law, the vendor must provide the County with that information as part of its bid/proposal/quote. The County may consider that information during evaluation of the bid/proposal/quote. The County reserves the right to take any action available to it if it discovers a failure to provide such information to the

County is a bid/proposal/quote, including, but not limited to, determination that the vendor should be declared non-responsive and/or non-responsible, and suspension or debarment of the vendor, as those terms are defined in the Maricopa County Procurement Code.

By submitting a bid/proposal/quote in response to this solicitation, the vendor agrees that, if, during the term of any contract it has with the County, it becomes involved as a debtor in a bankruptcy proceeding, or becomes involved in a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of the vendor under federal bankruptcy law or any state insolvency law, the vendor will immediately provide the County with a written notice to that effect, and will provide the County with any relevant information it requests to determine whether the vendor will meet its obligations to the County.

3.8 AMENDMENTS:

All amendments to this contract must be in writing and signed by both parties.

3.9 CONTRACT COMPLIANCE MONITORING:

The Materials Management Department and Finance shall monitor the Contractors compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided in this Contract.

3.10 CONFORMATION WITH THE LAW:

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa, and the City of Phoenix.

3.11 NON-DISCRIMINATION:

The Contractor in the performance of this contract will not discriminate against any employee for employment based on race, religion, sex, national origin or disability.

3.0 ADMINISTRATIVE INFORMATION: (Continued)**3.12 COMPLIANCE WITH THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 (IRCA) REQUIRED:**

Contractor understands and acknowledges the applicability of the IRCA. Contractor agrees to comply with the IRCA in performing under this Agreement and to permit County inspection of personnel records to verify such compliance.

3.13 FACILITIES:

During the course of this Agreement, the County shall provide the Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its obligation enumerated herein.

3.14 CONTRACT REPRESENTATIVES:

Any changes in the method or nature of work to be performed under this Agreement must be processed by the County through the Contractor's Contracts Manager. Upon the execution of this Agreement, the County will name its representative who will be legally authorized to obligate the County under this Agreement.

3.15 REFERENCES:

Vendors must provide at least five (5) reference accounts to whom they are presently providing this service. Included must be name of government or company, individual to contact, phone number and address. Preference in awarding this Contract may be given to Contractors furnishing government accounts similar in size to Maricopa County.

3.16 BID PROTESTS AND DISPUTE RESOLUTION:

Bid protests and contract disputes shall be handled in accordance with the provisions of Article 9, MC1-905, MC1-906, respectively, of the Maricopa County Procurement Code.

3.17 INCURRING COSTS:

Maricopa County is not responsible for any costs incurred in preparing this bid, including the acquisition of supplies and/or personnel until a contract is awarded by the Maricopa County Board of Supervisors.

3.18 PROPRIETARY INFORMATION:

Proprietary information submitted by a vendor for this bid shall remain confidential as permitted by law or regulation.

3.19 PUBLIC RECORD:

All information submitted relating to this bid, except for proprietary information, shall become part of the public record.

3.20 CONFORMANCE TO THE MARICOPA COUNTY PROCUREMENT CODE:

If any bidder believes that any aspect of this solicitation is inequitable or impracticable of performance, they will proceed in accordance with the Maricopa County Procurement Code, Section MC1-905, to secure an administrative determination on this point.

3.21 REJECTION OF PROPOSALS:

Maricopa County reserves the right to reject any, and all, proposals received in response to this proposal as determined to be in the best interests of the County.

3.22 VENDOR WITHDRAWAL:

SERIAL 98155-RFP

If, at any time prior to the opening of this proposal a vendor decides to withdraw its proposal, that vendor shall give written notice to the Materials Management Director, 320 West Lincoln, Phoenix, Arizona 85003.

3.0 ADMINISTRATIVE INFORMATION: (Continued)**3.23 MBE/WBE PARTICIPATION:**

Vendors submitting proposals are encouraged to solicit MBE/WBE participation on this contract. A list of certified MBE/WBE enterprises may be obtained by contacting Carlos Avelar, Contracts Compliance Coordinator for Maricopa County at (602) 506-8656. Please indicate in your bid response MBE/WBE areas of involvement for monitoring purposes.

3.24 P.O. CANCELLATION LANGUAGE:

The Department of Materials Management reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the vendor but only for actual and documentable costs incurred by the vendor due to and after issuance of the Purchase Order. The County will not reimburse the vendor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc. Vendors agree to accept verbal notification of cancellation from the Department of Materials Management with written notification to follow. By submitting a bid/proposal in response to this solicitation, the vendor specifically acknowledges to be bound by this cancellation policy.

3.25 PROMPT PAYMENT DISCOUNT:

Maricopa County, through its "Continuous Improvement Initiatives" has identified Vendor Payment as a process requiring attention and improvement. Maricopa County has initiated changes in this area which are intended to both improve and expedite this process. In light of these efforts, vendors are strongly encouraged to offer Maricopa County Cash Discounts for Prompt Payment Terms. Invoices reflecting such Cash Discounts will be processed with the highest priority.

3.26 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

3.27 ADEQUACY OF RECORDS:

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided to eligible clients the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

3.28 AUDIT DISALLOWANCES:

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

3.29 CONTRACT ADMINISTRATION:

To help insure contract compliance, a contract administration process will be an integral part of this contract. County employees will be assigned as contract monitors for key locations throughout the County. Materials Management and the user organizations will utilize the procedure. The successful bidder will be made aware of the findings from the process and participate in the post award meeting. This contract administration process is an audit and feedback system and will be in addition to any of the other policies and procedures contained herein. The Contract Administration Process is a total quality management tool that empowers the hands-on users to monitor and assure contract compliance. The vendors should know in the bidding process that the successful bidder will be closely monitored for contract compliance. No additional cost is anticipated to be incurred by the successful bidder by the presence of the contract administration process as long as contract compliance is

maintained. Except for the more formalized feedback of findings, the normal vendor/user relationship will exist when within compliance and the contract administration process should be transparent.

3.0 ADMINISTRATIVE INFORMATION: (Continued)**3.30 REGISTRATION:**

Vendors are required to be registered with Maricopa County prior to receiving an award for any County Business. Failure to comply with this requirement will cause your bid to be declared non-responsive. Registration Forms are available from the Department of Materials Management, 320 West Lincoln Street, Phoenix, Arizona 85003 or by calling (602) 506-3244.

3.31 ADDITIONAL COSTS:

Any vendor who causes the county to incur additional costs to review and verify invoices due to vendor submitting incorrect data. (E.G. Quotes and equipment and software, invoices etc.) will be charged for Maricopa County's costs to review and correct such erroneous billings.

3.32 PROCUREMENT AUTHORITY:

The Maricopa County Procurement Code ("The Code") governs this procurement and is incorporated by this reference. Any protests concerning this request for proposals must be filed with the Procurement Officer in accordance with Section MCI-905 of the Code.

4.0 TERMS AND CONDITIONS:**4.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:**

Vendors signify their understanding and agreement by signing this document, that the contract resulting from this proposal will be a requirements contract. However, this contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this contract, that they will be purchased from the vendor awarded that item. Orders will only be placed when a need is identified by a using agency or department and proper authorization and documentation have been approved.

4.2 CONTRACT LENGTH:

This Request for Proposals is for awarding a firm fixed price contract to cover a two year period.

4.3 OPTION TO EXTEND:

The County may, at their option and with the approval of the Contractor, extend the period of this agreement up to a maximum of three (3), one (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

4.4 ESCALATION:

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

4.5 INCORPORATION OF PROPOSAL INTO THE CONTRACT:

The content of this proposal and the selected firm's response is to be incorporated, in total, into the contract.

4.6 UNCONDITIONAL TERMINATION FOR CONVENIENCE:

Maricopa County may terminate the resultant agreement for convenience by providing sixty (60) calendar days advance notice to the vendor.

4.0 TERMS AND CONDITIONS: (Continued)**4.7 DEFAULT:**

The County may suspend, terminate, or modify this contract immediately upon written notice to the Contractor in the event of a nonperformance of stated objectives or other material breach of contractual obligations; or upon the happening of any event which would jeopardize the ability of the Contractor to perform any of its contractual obligations. Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

4.8 TERMINATION BY THE COUNTY:

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Agreement. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of, a substantial violation of any provision of this Agreement, then the County may terminate this Agreement. Prior to termination of this Agreement, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

4.9 APPROPRIATION CONTINGENCY:

The vendor recognized that any agreement entered into shall commence upon the day first provided and continued in full force and effect until termination in accordance with its provisions. The vendor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end on June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

4.10 FAILURE TO PROVIDE SERVICES:

Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

4.11 ORGANIZATION - EMPLOYMENT DISCLAIMER:

The agreement is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the agreement.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the agreement are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

4.12 INDEMNIFICATION:

To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the County, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend hold harmless and indemnify the County, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work to services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.0 TERMS AND CONDITIONS: (Continued)

4.13 INSURANCE REQUIREMENTS:

General Clauses. The Contractor, at its own expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed, with a current A.M. Best, Inc. Rating of B++6, or approved unlicensed by the State of Arizona Department of Insurance.

Additional Insured. The insurance coverage, except Workers' Compensation and Professional Liability, required by this Contract, shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

Primary Coverage. The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self insurance maintained by the County shall not contribute to it.

Claim Reporting. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policies to protect the County.

Waiver. The policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the County, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's work or service.

Deductible/Retention. The policies may provide coverage which contain deductibles or self insured retentions. Such deductible and/or self insured retentions shall not be applicable with respect to the coverage provided to the County under such policies. The Contractor shall be solely responsible for the deductible and/or self insured retention.

Copies of Policies. The County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the above policies and/or endorsements. The County shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Contract which Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The Commercial General Liability additional insured endorsement will be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision, which would serve to limit third party action over claims.

Automobile Liability. Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Contractor.

Professional Liability. The Contractor retained by the County to provide the work or service required by this Contract will maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Contractor or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

4.0 TERMS AND CONDITIONS: (Continued)**4.14 CERTIFICATES OF INSURANCE:**

Prior to commencing work or services under this Contract, Contractor shall furnish the County with Certificates of Insurance, or formal endorsements as required by the contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and as evidenced by annual Certificates of Insurance.

4.15 CANCELLATION AND EXPIRATION NOTICE:

Insurance evidenced by this Certificate shall not expire, be canceled, or materially changed without fifteen (15) days prior written notice to the County. If a policy does expire during the life of the contract, a renewal Certificate must be sent to the County fifteen (15) days prior to the expiration date.

All Certificates of Insurance required by this Contract shall be identified with a bid serial number and title. A \$25.00 administrative fee shall be assessed for all Certificates received without the appropriate bid serial number and title.

4.16 CHANGES:

The County may require changes in the scope of the services to be performed by the Contractor hereunder. All such changes, which are mutually agreed upon by and between all the parties, shall be incorporated in written amendments to this Agreement. All such amendments shall state any increase or decrease in the amount of the compensation due to the Contractor for the change in scope.

4.17 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete services to this contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the bid price. Should additional services be required from this contract, prices for such additions will be negotiated between the Vendor and the County.

4.18 SEVERABILITY:

Any provision of this contract which is determined to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and remaining provisions shall remain in full force and effect.

4.19 VALIDITY:

The invalidity, in whole or in part, of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

4.20 CONTRACTOR RESPONSIBILITY:

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his employees or subcontractors.

Contractor agrees that all subcontractors performing work under this agreement shall comply with its provisions and it is expressly understood that all persons employed by the Contractor, either directly or indirectly, shall be considered employees of the Contractor, and not employees of Maricopa County.

Contractor acknowledges and agrees that it is liable and responsible for any act or omission by the Contractor, its employees, agents, officers, representatives, and subcontractors occurring in the course of Contractor's performance of this Contract, whether such act or omission occurs on County property or elsewhere. Contractor shall be liable for any loss or damage arising out of or related to Contractor's performance of this contract, Contractor shall bear the above stated liability, even in absence of its own negligence, unless County actions caused the loss or damage (i.e., if regulation, but damage occurs, Contractor is responsible for such damages.)

Contractor shall bear the above stated liability, consequential, incidental, direct, and indirect damages, and shall be liable for all costs, including attorney's fees, incurred by the County to enforce this provision.

4.0 TERMS AND CONDITIONS: (Continued)**4.21 ASSIGNMENT OR SUBCONTRACTING:**

Neither this Agreement, nor any portion thereof, may be assigned by Contractor without the written consent of the County first having been obtained. Any attempt by the Contractor to assign or subcontract any performance of this Agreement without the written consent of the County shall be null and void and shall constitute a breach of this Agreement.

The subcontractor's rate for the job shall not exceed that of the prime contractor's rate, as bid in the pricing section, unless the prime contractor is willing to absorb any higher rates. The subcontractor's invoice shall be invoiced directly to the prime contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the subcontractor's invoice must accompany the prime contractor's invoice.

4.22 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.23 SECURITY AND PRIVACY:

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized subcontracts.

4.24 CONTRACTOR LICENSE REQUIREMENT:

The Contractor shall procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of his business. He shall keep himself fully informed of existing and future Federal, State, and Local laws, ordinances and regulations which in any manner affect the fulfillment of this contract and shall comply with the same.

4.25 OFFSET FOR DAMAGES:

In addition to all other remedies at Law or Equity, the County may offset from any money due to the bidder any amounts bidder owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.26 PRICE REDUCTIONS:

By submitting a bid or proposal in response to this solicitation, vendors agree to guarantee that Maricopa County is receiving the lowest price offered by your company to other customers for similar services at comparable volumes in a similar geographic area. If at any time during the contract period your company offers a lower price to another customer, notification not be made of price reductions, upon discovery Maricopa County shall reserve the right to take any or all of the following actions:

4.26.1 Cancel the contract, if it is currently in effect.

4.26.2 Determine the amount, which the County was overcharged, and submit a request for payment from the vendor for that amount.

4.26.3 Take the necessary steps to collect any performance surety provided on the applicable contract.

5.0 INSTRUCTIONS FOR PROPOSAL:

5.1 INSTRUCTIONS FOR PREPARING AND SUBMITTING PROPOSALS:

Proposers are to provide one (1) original (labeled) five (5) copies of their proposal. **Proposers are to address proposals identified with serial number, title and return address to Maricopa County, Department of Materials Management, Serial 98155-RFP, 320 West Lincoln, Phoenix, Arizona 85003.** Proposals must be signed by a corporate official who has been authorized to make such commitments. Instructions to Proposers, Paragraph 1, are modified to read: All prices shall be held firm for a period of one hundred twenty (120) days after the RFP closing date.

5.2 EXCEPTIONS TO THE BID SOLICITATION:

The Contractor will identify and list all exceptions taken to all sections of 98155-RFP and list these exceptions referencing the section (paragraph) where the exception exists and then identify the exceptions and the proposed wording for the contractors exception. The Contractor will list these exceptions in the Best and Final Proposal under the heading "Exception to the Bid Solicitation, BS98155-RFP". Exceptions that surface elsewhere and that do not also appear under the heading "Exception to the Bid Solicitation, BS98155-RFP", shall be considered invalid and void and of no contractual significance.

The County reserves the right to reject, renders the proposal non-responsive, enter into negotiation on any of the contractor exceptions, or accept them outright.

5.3 GENERAL:

The Proposal submitted should be specific and complete in every detail. It should be practical and should be prepared simply and economically, providing a straight forward, concise delineation of capabilities to satisfactorily perform the contract being sought.

The vendor should not necessarily limit the proposal to the performance of the services in accordance with this document but should outline any additional services and their costs if the vendor deems them necessary to accomplish the program.

5.4 FORMAT AND CONTENT:

To aid in the evaluation, it is desired that all proposals follow the same general format. The proposals are to be submitted in binders and have sections tabbed as below :

- 5.4.1 Letter of Transmittal (Attachment B)
- 5.4.2 Table of Contents
- 5.4.3 Short introduction and summary - This section shall contain an outline of the general approach utilized in the proposal.
- 5.4.4 Proposal - Your proposal should contain a statement of all the programs and services proposed including conclusions and generalized recommendations. Proposals should be all inclusive detailing your best offer. Additional related services should be incorporated into the proposal if applicable.
- 5.4.5 Personal Qualifications - Support personnel, as applicable, shall be listed including a description of assignments and responsibilities, a resume of professional experience and an estimate of the time each would devote to this program, and other pertinent information.
- 5.4.6 Other data
- 5.4.7 Pricing
- 5.4.8 Proposal exceptions
- 5.4.9 Agreement (Attachment C)
- 5.4.10 References (Attachment D)

6.0 EVALUATION FACTORS:

6.1 GENERAL:

The following guidelines will be used in analyzing and evaluating this proposal. Although price will be a factor in proposal evaluation, it is specifically a consideration of secondary importance to the needs identified in the proposal. The County reserves the right to accept other than the lowest price proposal.

Proposals will be evaluated by a committee composed of various Maricopa County departments and others. Requests for presentations or clarification of portions of the proposals may be considered. A summary evaluation will be prepared by this committee with an objective ranking of the proposals.

6.2 AWARD OF CONTRACT:

Contracts awarded pursuant to the provisions of this section will not be solely on price, but will include and be limited to evaluation criteria listed in the proposal. The contract will be awarded by the Board of Supervisors to a qualified firm at compensation determined to be fair and reasonable considering budgetary limitations, scope, complexity and the nature of goods and/or services. The proposal may be awarded in whole, by section, or geographic area as required.

6.3 COMPETITIVE NEGOTIATION:

Proposals should follow format per paragraph 5.4. At the County's option, proposing firms may be invited to make presentations to the Evaluation Committee. Negotiations may be conducted, as needed, with the highest rated proposer.

6.4 BASIC EVALUATION PROCEDURE:

- Step 1 Review of all Proposals to conformance of this RFP.
- Step 2 The elimination of all proposals, which deviate substantially from the basic intent of the proposal.
- Step 3 An assessment of the remaining proposers. This assessment will also include a review of the vendor personnel capability and the previous experience of each vendor.
- Step 4 Verification of vendor references.
- Step 5 Oral presentations to supplement the proposal, for the purpose of clarification, may be required of selected vendors. The time and place for oral presentations will be announced at a later date, if such a presentation is required.
- Step 6 Evaluation of costs to Maricopa County.
- Step 7 Capability of the vendor to participate in this particular program, including eligibility based on the vendor's financial stability and viability.
- Step 8 Tabulation and recommendation of potential vendor.

6.5 EVALUATION OF PROPOSAL: SELECTION FACTORS

A proposal analysis committee shall be appointed, chaired by the Materials Management Department to evaluate each proposal and prepare a scoring of each proposal to the responses as solicited in the original request:

- 6.5.1 Proven skills and technical competence.
- 6.5.2 Approach and philosophy.
- 6.5.3 Credentials of management staff.
- 6.5.4 Quality and completeness of proposal.
- 6.5.5 Cost of goods, services and/or materials and allocation of man hours.
- 6.5.6 Experience in governmental and/or industrial activities.

~~LL/slt~~ DD/lc

cc: ~~Victoria Taylor, Finance~~

US BANCORP PIPER JAFFRAY INC.,PUBLIC FINANCE DEPARTMENT

2525 E. CAMELBACK ROAD, STE. #900, PHOENIX, AZ 85016

PIPER JAFFRAY, 7333 E. DOUBLETREE RANCH ROAD, STE. 105, SCOTTSDALE AZ 85258

7.0 PRICING:

B0603388

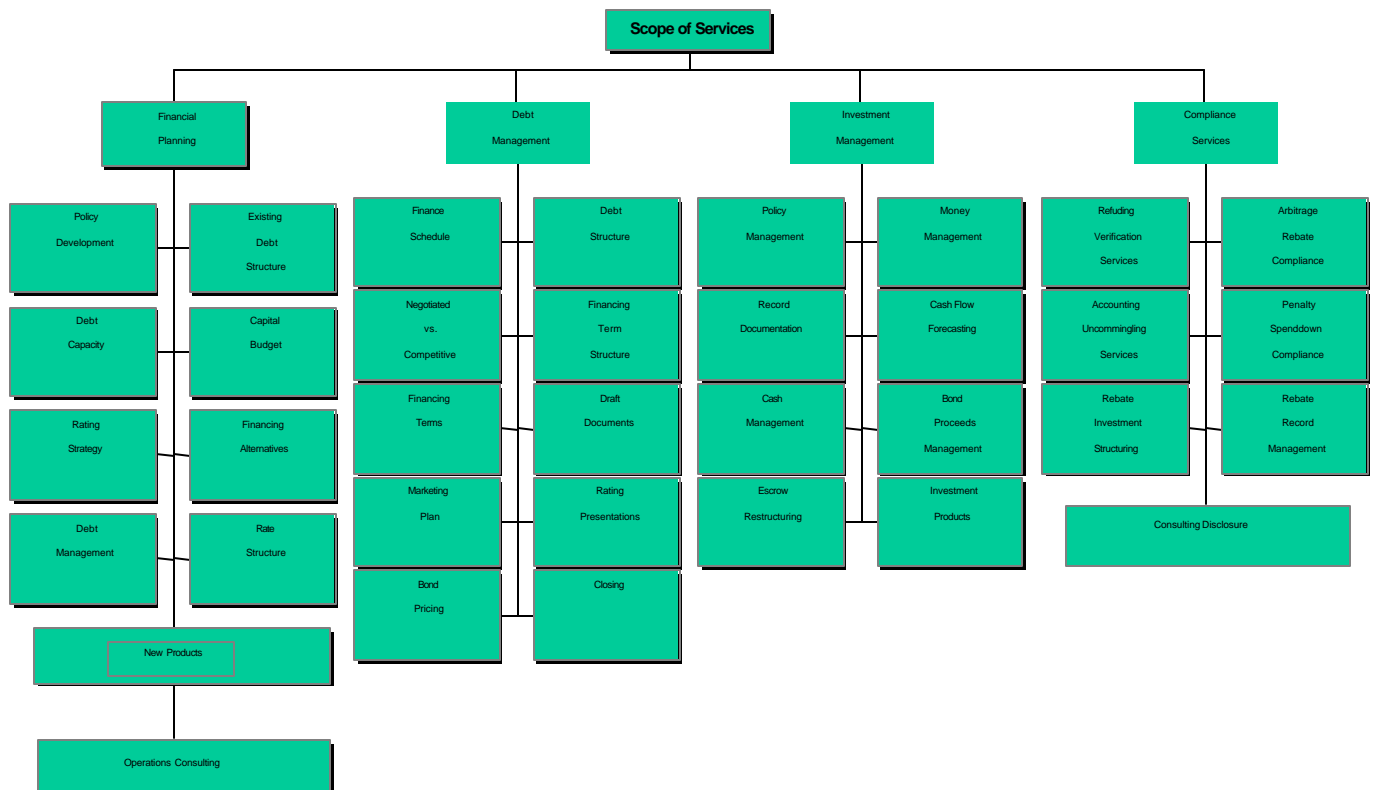
S067901/P06-16-03

PROPOSAL – SCOPE OF SERVICES & METHODOLOGY

The primary characteristic which will differentiate Piper Jaffray from other firms is the level of experience and quality of service that we will provide to the County. Members of the Advisory Team have provided financial advisory services to the County since 1994 and therefore have a greater understanding of the level of service which the County demands. The Advisory Team will continue to demonstrate to the County a quality of service that is unparalleled in the industry. The Firm's national experience as an underwriter and financial advisor enhances our ability to continue providing the County with the highest level of professional service and advice.

Each of the team members assembled to work on the County's account pride themselves in providing the highest level of service possible to their clients and specifically pledge that Maricopa County's best interests will always be paramount throughout the term of our engagement. Below, in chart form, is a summary of the services the Advisory Team will provide to the County. While not an exhaustive listing, this illustration provides an overview of the scope of services available to the County. Although some of these services may not be applicable to the County's prior financings, they are available, however, to the County for future financing needs.

It is very important to us to provide the highest possible level of service to the County and to allow County staff to feel comfortable in its working relationship throughout our engagement. We have assembled a group of individuals to form a team which we believe has all the necessary experience and qualifications to accomplish this goal.



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7.0 PRICING: (Continued)

In the **Financial Planning** stage of our engagement as the County's Financial Advisor, the Advisory Team will review the financial needs, debt position, cash flows, debt ratings and legal constraints. After examining all of these factors and the County's fiscal constraints, we will assist in developing a financial plan that will meet your stated objectives. This can include assisting with revisions to the County's Debt Management Policies to developing comprehensive plans or models for future projects. An example of this is the cash flow/debt model that was developed for the proposed jail project.

After development of a financial plan, we will assist in its implementation. When the County's plans include the issuance of debt, our **Debt Management** services will include all of the steps necessary to conduct a successful financing. Our **Debt Management** services ensure that the County will be able to access capital in the most cost-effective manner. If desired by the County, we can provide **Investment Management** services for the investment of bond proceeds, including investment contracts, cash flow forecasting, and the accounting, thereof. Due to increased regulation and oversight, the requirements on the County are much greater today than in prior years. In order to comply with various guidelines, we can provide **Compliance** services regarding continuing disclosure, rebate, etc., to assist the County through this process and attempt to minimize the amount of work required by the staff.

Financial Planning Services

Financial planning is the keyword of any financial and debt management program. The true value of our Team's service is how well the financial strategy achieves the County's goals. We have familiarity with a wide range of financing techniques and methodologies, but have no financial incentive to choose one over the other, except to the extent that they would clearly advance the policy initiatives of the County. As your financial advisor, we are free to provide genuinely independent and unbiased guidance. The timing, structure and method of raising capital for your proposed transactions are key elements to the financial plan.

The following is an abbreviated summary of our Scope of Services, experience and qualifications.

Development of Capital Plan and Financing Policies. As the County is aware, rating agencies and bond insurers look favorably on debt issues that are part of a well-conceived, long-term plan as opposed to financing that are carried out in a fragmented, disorganized manner; establishing long-term policies and plans demonstrates sophisticated financial management.

The Advisory Team is driven not by financial transactions, but by financial planning. We believe our clients will achieve greater success in reaching their financing goals where they have developed a long-term capital plan which includes financial policies and the identification of alternative resources. The County has been very successful in developing sound financial policies. Our Team will continue to assist the County in developing and revising a capital plan which is customized to meet ever changing conditions.

Review Existing Debt Structure. As the County's Financial Advisor, the Advisory Team will analyze the financial resources available to the County from its participants by considering the types of revenues available, their stability over time, and their forecasts for growth.

Review Capital Budget. The goal of this review is to determine the optimal match of the sources of capital funding with the infrastructure funding needs of the County.

Analyze Future Debt Capacity. In order to assess the County's ability to raise capital in the future, a computer financial model can be formulated to evaluate the feasibility of alternative financing strategies to economically provide the required level of funding over time. The first step is the identification of key assumptions that will be common to all strategies. The second step is to structure each alternative and evaluate its feasibility.

Identify Financing Alternatives. As your financial advisor, the Advisory Team will offer the County advice uninfluenced by conflicts of interest which may affect other firms. This independence will allow us to develop objective financing plans for the County which incorporate a full range of financing alternatives; as your consultants, we are not blindly committed to the notion that a municipal financing must result in the issuance of municipal bonds. We will develop an optimization

model to address various financing alternatives, including direct loans, pay-as-you-go financings, commercial paper, variable-rate debt, and plain vanilla fixed rate bonds.

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7.0 PRICING: (Continued)

Analyze Debt Service Savings Opportunities. As a full service financial advisor, our Advisory Team continually analyzes debt service savings opportunities and has successfully completed numerous refunding transactions resulting in hundreds of millions of dollars in debt service savings to Arizona municipalities. Our Team routinely analyzes outstanding debt issues to estimate the financial benefit of refinancing all or portions of outstanding bond issues on a maturity-by-maturity basis. This method of analysis maximizes the savings opportunity to the municipality by identifying which maturities in a bond issue are the best candidates for a refunding and minimizes the possibility of refunding maturities that don't make economic sense. Our Team is continually monitoring the County's outstanding bond and lease issues for possible debt service savings opportunities.

Debt Management Services

Develop and Monitor Financing Schedule. To facilitate the timely completion of all tasks, the Advisory Team will prepare a financing that clearly identifies the responsibilities of each participant in the transaction. This schedule is designed to permit sufficient time for review of all disclosure materials by County officials prior to final printing and distribution.

Analyze Debt Structure Alternatives. The determination of an efficient structure is a function of three elements (i) is the proposed amortization schedule well-coordinated with the County's needs; (ii) are the resources pledged to debt redemption sufficient to meet total debt service coverage requirements when existing or proposed debt is combined; and (iii) is the proposed maturity schedule designed to attract maximum interest from underwriters and potential investors in the current market.

Working with County staff and other members of the financing team, the Advisory Team will use the information it has gathered from the policy review and development phase of the engagement to facilitate the formulation of the issue structure and the terms under which the bonds are to be offered in order to answer the aforementioned questions in the best possible manner, given the current market. Some key issues addressed are:

Maturity Schedule and Pattern of Debt Service. We will utilize the Advisory Team's technical expertise, our understanding of the specific credit requirements needed to maintain County's current or improved credit ratings and extensive market experience to develop a maturity schedule for each bond issue that addresses all of these concerns.

Call Features. As the County is aware, the effective use of call features is very important when structuring a certain financing. Detailed analyses of different call features would be performed, analyzing the effects of shorter call dates, smaller call premiums or even noncallable bonds and the potential key effects they would have on marketing the bonds and the interest rates that would be attained.

Credit Enhancement The Advisory Team will consider the benefits of obtaining credit enhancement in relation to the premium costs. The effective interest cost of the County's financings may be reduced and structural flexibility enhanced with some form of credit enhancement.

The members of our Team are experienced with the competitive bidding process for credit enhancement. We are confident that this method of purchasing the credit enhancement would result in the lowest cost to the County. Our Team has prepared requests for proposals, evaluated those proposals, and negotiated contracts with all of the major bond insurance companies and with major banks, both foreign and domestic. Once the bids have been opened and evaluated, we will make a recommendation regarding the selection of a bidder to negotiate a contract which provides the most generous terms of the County at the most reasonable cost.

We have developed excellent ongoing relationships with bond insurance personnel responsible for State issuers and believe these relationships will be invaluable to the County in obtaining competitive pricing for bond insurance on future issues.

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7.0 PRICING: (Continued)

Assist The Counter in Selecting Working Group Members and Procuring Services. Among the services we would provide the County is the selection of working group members and the procurement of service providers. The Advisory Team members would assist with:

Underwriter Selection. If it is determined that a negotiated sale is appropriate, the Advisory Team will assist County officials in the development of a comprehensive request for underwriting proposals as well as the subsequent selection and interview of potential underwrites. Our Team's professionals include experienced investment bankers who would use their knowledge to the County's greatest advantage.

Procurement of Financial Services. Our Team will assist the County, as needed, in identifying and procuring special financial related services that may be needed over the course of its financing program. Some of these services are generic to any financing alternative while others may or may not be required depending on the financing vehicle chosen. Services needed for many financings include:

- Underwriter Selection
- Trustee Selection
- Registrar/Paying Agent Selection
- Feasibility consultants
- Special Credit Facilities (includes such items as letters of credit or bond insurance)
- Verification Agents
- Official Statement Printing
- Arbitrage Rebate
- Continuing Disclosure

At each point where a special service is required, our Team will research and develop a set of bid specifications for the desired service, develop a distribution list, and supervise the circulation of the requests for proposals. The Advisory Team will analyze and summarize bid responses and outline the advantages and disadvantages of each response to assist the County in its review process.

Work With Members of Working Group to Develop Financing Terms. Once the working group has been selected, the Advisory Team will assume the role of coordinator and catalyst. Our Team will analyze each component of the structure and make recommendations to the County. Each member of the financing team will have a different perspective on each point, and it is important that each team member be given an opportunity to express their views and incorporate them into the final structure. The objective of this process is to create a package of terms that creates broad-based interest in the debt among investors while ensuring the lowest cost to the County and maintaining future financial flexibility.

Develop Financing Documents. The Advisory Team members have extensive experience assisting issuers with the preparation of the necessary ordinances, legal documents, and other disclosure documents for the issuance of tax-exempt securities, and will coordinate with County officials, bond counsel, underwriters, banks, and other team members in the preparation, review and finalization of all bond document preparation activities.

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7.0 PRICING: (Continued)

Coordinate the Marketing of Bonds.

Timing of Sale. The Advisory Team will closely monitor all local, national and international developments, evaluate the potential impact of each event on the timing of each potential sale and provide a recommendation to the County.

Marketing Information.

(a) Disclosing Documents

Working closely with County Staff, bond counsel and the County's disclosure counsel, the Advisory Team will be actively involved in the development of key disclosure materials required to effectively market the County's issues. These disclosure materials include the preliminary official statement

("POS"), the final official statement ("OS"), and for competitively bid issues, the official bid form and the notice of sale.

The importance of the POS cannot be overstated. It serves as the primary marketing and promotional tool for the County and the underwriters and as the vehicle for the disclosure of important financial and legal information about the County. The POS also serves as the primary source of information to the rating agencies, in addition to the presentations given by County officials. With minor modification following the sale, the POS becomes the final OS, the public document of record for the financing and the County's only official contact to most of its investors. For the County's offerings, your Advisory Team will work closely with the staff to ensure that the POS and OS are in full compliance with SEC guidelines, industry standards, and the guidelines developed by GFOA and MSRB.

The transmission of these documents electronically is moving into the tax-exempt bond markets with significant speed. We are constantly monitoring the legal and practical issues and will continue to work with the County and its legal professionals.

With respect to the Continuing Disclosure Requirements of Rule 15c2-12, the Advisory Team will review the Continuing Disclosure Undertaking and advise the County as to which information, in addition to the annual financial reports should be part of the annual information filing and will also assist with these requirements as much as possible to eliminate any additional burden on the County's staff.

(b) Information Meetings

The Advisory Team members will closely monitor the number and composition of any underwriting syndicate chat are organized for the County's sales. We will interact directly with these groups and respond promptly to any questions chat may arise concerning the issue. Where appropriate, our Team will organize and participate in investor information meetings to describe in greater detail all elements of the transactions.

Rating Agency Contacts. Piper Jaffray has developed an excellent ongoing relationship with the rating agency personnel at Moody's, Standard & Poor's and Fitch IBCA. Our experience enables us to determine both credit strengths and weaknesses prior to any presentation of materials to rating analysts. We will also continue to arrange periodic meetings between the rating agencies and the County to keep the agencies up to date on current County affairs. See Section 2.5.4 Credit Ratings for more information.

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7.0 PRICING: (Continued)

Assist with the Pricing of the Bonds. Piper Jaffray is an experienced financial advisor and underwriter, and lends particular expertise to Arizona municipal bond issues. Piper Jaffray, as financial advisor, would integrate the resources of its municipal underwriting and trading departments to provide the County with the most comprehensive and timely market information. Piper Jaffray underwrites, sells, and trades a wide variety of securities through 1,124 registered representatives and 46 institutional salespersons. Piper Jaffray served as the managing or co-managing underwriter on 598 issues totaling over \$10.9 billion of tax-exempt securities in 1997 alone, including over \$300 million in Arizona underwritings, and would be able to provide the County with invaluable market insight relating to comparable issues in the market, comparisons of takedown levels and important economic data releases to name a few.

Our Team members take great pride in providing aggressive and informed representation on behalf of our clients in the pricing of securities. We would actively monitor market conditions through frequent and ongoing contacts with Piper Jaffray's trading floors and other trading floors in order to effectively advise the County as to the most appropriate market timing for its security offerings.

Electronic bidding has recently become an attractive alternative to the competitive bidding process. Through the Internet, Bloomberg or Dalcomp, issuers can now market their securities electronically. As your financial advisor, we will offer advice, including advantages and disadvantages inherent to this process, and provide guidance through the entire sales process.

After the pricing is completed, the Advisory Team will provide the County with a Final Pricing Report so that the County can evaluate the fairness of the pricing of the bonds. Contained in the Report will be a Summary of the Bond Issue and Pricing Discussions, Final Pricing Schedule, Orders and Allocation of Bonds (for Negotiated Financings), Review of Market Conditions, Bond Rating Reviews, and Related Newspaper Articles. This document serves not only as a measure of the fairness of the sales terms, but as a comprehensive reference to which the County may refer in the future.

Assist With Closing. We will continue to work with all parties involved with the closing to prepare a schedule of tasks to be completed prior to closing and identify the party responsible for completing the task. These tasks include completing the final official statement, preparing closing documents, arranging for the transfer of funds and the investment of funds.

Other closing arrangements will also be completed so that the officials of the County can be confident that each transaction will be completely and professionally brought to a close.

Investment Management Services

As indicated earlier, the services offered by the Advisory Team do not stop with the closing of a bond issue. While the majority of financial advisory services fall within She financial planning and debt management areas, the Advisory Team can also offer She County expert advice with regard to She management of its investments. These services include:

Investment and Management. We believe She proper investment of bond proceeds and/or tax collections is a crucial component of any financing structure. An effectively developed investment strategy can significantly enhance She liquidity and resources of a construction fund. This, obviously, can be a tremendous advantage to She County.

Piper Jaffray routinely provides investment agreement bidding services (typically acting as the Guaranteed Investment Contract ("GIC") broker) for many of its clients. As She County's financial advisor, we would strongly encourage that Piper Jaffray lead She GIC negotiation process in conjunction with the County's staff.

Within Piper Jaffray's public finance department, specific professionals are responsible for providing these services.

Compliance Services

The Advisory Team can also offer the County a variety of compliance services to complement all other services provided. Arbitrage rebate compliance is particularly important for She County to keep in mind when investing bond proceeds or structuring yield-restricted portfolios. The Advisory Team can provide the County expert advice regarding rebate investment structuring, rebate penalty / spenddown compliance, rebate exemptions and non-yield-restricted temporary

periods. Proper investment of funds is critical so chat the County may receive She maximum amount of investment earnings allowable.

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7.0 PRICING: (Continued)

Compensation: Please explain the firm's proposed fee schedule for the work proposed and for various financing alternatives. Explain how fees may differ in the cases of alternative mechanisms. If the firm proposes that the County bear the cost of incidental expenses associated with financings, clearly state what type of incidental expense the county will be expected to bear. Payment of fees shall be upon delivery of financing proceeds, if applicable. For general consulting engagements which involve no sales of securities, please describe your fee structure.

The following table provides our proposed fee structure(s):

I. For a competitive or negotiated Tax Anticipation Note issue.

<u>Advisory Fee</u>	<u>Issue Size</u>
\$0.95 per \$1,000	up to 310,000,000
plus \$0.50 per \$1,000	from \$10,000,001 to \$20,000,000
plus \$0.40 per \$1,000	from \$20,000,001 to \$30,000,000
plus \$0.30 per \$1,000	from \$30,000,001 and above
(\$9,500 Minimum, \$50,000 Maximum)	

II. For competitive or negotiated debt issue(s):

<u>Advisory Fee</u>	<u>Issue Size</u>
\$0.95 per \$1,000	"new money" long-term financing
(\$9,500 Minimum, \$60,000 Maximum)	
\$1.25 per \$1,000	"new money" certificates of participation
(\$15,000 Minimum, \$60,000 Maximum)	
\$1.25 per \$1,000	refunding long-term financing/certificates of participation
(\$18,500 Minimum, \$60,000 Maximum)	

III. For limited public offerings including "new money" and refunding COP's, leases and lease refundings:

<u>Advisory Fee</u>
\$0.95 per \$1,000
(\$9,500 Minimum, \$60,000 Maximum)

IV. For escrow structuring/bond defeasances that are not incorporated with a refunding issue:

<u>Structuring Fee</u>
\$0.50 per \$1,000
\$9,500 Minimum, \$22,500 Maximum)

V. For advisory services not related to specific financings, the following hourly fee schedule is proposed.

<u>Advisory Fee</u>	<u>Individual</u>
\$175/Hr	Senior Vice President/Managing Director
\$150/Hr	Vice President
\$ 75/Hr	Associate/Analyst

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7.0 PRICING: (Continued)

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Reimbursable Expenses

Out-of-state travel (if any) will be billed to the County at cost. Piper Jaffray will also provide the County with a detailed billing for all printing, mailing, and federal express charges. Piper Jaffray will pay all in-house copy expenses.

At the County's request, Piper Jaffray is also willing to pay, subject to reimbursement, official statement printing charges, which occur prior to closing. Actual invoices would be provided to the County for reimbursement following the debt closing.

TERMS: NET 30

FEDERAL TAX ID NUMBER: 41-0953246

TELEPHONE NUMBER: ~~(480) 922-5830~~, **(602) 912-5100**

FAX NUMBER: ~~(480) 922-5878~~ **(602) 957-9488**

CONTACT PERSON: WILLIAM C. DAVIS

VENDOR NUMBER: 410953246

CONTRACT PERIOD: TO COVER PERIOD ENDING **OCTOBER 31, 1999 2000 2001 2002 2003.**